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Judge Benjamin H. Settle

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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

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UNITED STATES OF AMERICA,
Plaintiff,

v.

THERON J. MARRS,

Defendant.

Case No. 3:21-CR-05176-BHS-1

**DEFENDANT'S REPLY TO
GOVERNMENT OPPOSITION
TO EARLY TERMINATION OF
PROBATION**

NOTE ON MOTION CALENDAR:
No Hearing Requested per FRCP 32.1

NOW COMES THERON J. MARRS, the defendant in the above captioned case, and appears *pro se*, respectfully submitting this reply to the government's response filed in opposition to my Motion For Early Termination of Defendant's Probation Term.

To clarify for the record, all required tax returns for 2011 through 2021 have been filed or accounted for. What is due and owing has been dealt with, and restitution for past sins has been paid. The only exception is regarding the revised 2020 return there may be some taxes yet due, which is yet to be determined. I continue to communicate with the IRS for a determination on that issue. This stands as a fact that I am clearly cooperating with the IRS and Judgment Order. What more is there for probation to do? However, the court should note the U.S. Probation memo to the US attorney omitted several important facts stand, thus may mislead the court.

REPLY TO GOVERNMENT OPPOSITION

United States v. Marrs, 3:21CR05176

I. The Government Opposition Adopts the Position of the United States Probation Office

The government opposed my motion to terminate my probation period. It did so by adopting the findings and recommendations of the U.S. Probation Office (hereinafter “Probation Report”), which was submitted to this Court in response to the same. Therefore, this reply will focus on the content of the Probation Report.

II. The Report of the Probation Department Misrepresents Several Key Aspects of the Instant Case

I will attempt to keep this reply succinct and to the point. However, there are quite a few instances in the submission of the United States Probation Office (USPO) that demand rebuttal, leaving the court record incomplete and accurate.

To begin, the Probation Report, written by Supervising U.S. Probation Officer Kalen Thomas, refers back generally to the investigating agent's findings (an IRS-CI Special Agent) claiming that I had misused the "Corporation Sole laws to take advantage of the special tax benefits available to legitimate religious groups and church leaders." Probation Report at 1.

I have never made reference to “Corporation Sole” in managing our current ministry. I did inform Mr. Thomas via affidavit that I found no appropriate form for that type of accounting. Regardless, I accounted for those numbers as “other income” in my revised tax filings. Mr. Thomas again omitted these facts.

The Probation report also asserts unsubstantiated (and false) summary claims as conclusions. One example is the following:

“In October 2021, probation learned from federal and state law enforcement in Oregon that Mr. Marrs operated a website suspected of facilitating the use of self-supporting ministries to avoid payment of state and federal taxes, a central aspect of his underlying prosecution.” Probation Report at 2.

There is no evidence that our web site promotes the avoidance of taxes of any kind. This

1 assertion is speculative at best, based on unsubstantiated third-party opinion and misstates
2 actual facts. Mr. Thomas goes even further and offers a non-attorney legal opinion as
3 summary judgment in the following inaccurate summary assertion:

4 On October 6, 2021, Mr. Marrs filed an individual income tax return
5 wherein he falsely claimed that \$105,672 in compensation received from
6 Trinity during 2020 was exempt from federal income taxes. Moreover,
7 the defendant claimed that he is exempt from taxation as a citizen only
8 pertaining only to residents of the District of Columbia and United States
9 territories, which do not include the 50 states. For these reasons, he
reported to the IRS that he owed no taxes for the 2020 tax year.” *Id.*

10 This is highly inaccurate. I included a cover letter to the IRS to that filing which explains
11 my reading of the law and my positions based on statute, and then asks them some questions
12 to ensure my understanding of the law. The Probation Report omits the well-researched
13 basis for my filing and asserts the legal conclusion that my filing “falsely claimed” income
14 exemptions. It does so without any statutory basis. Unless the author of the Probation
15 Report is a tax-law expert, this conclusion baldly asserted should be disregarded.

16 The Probation Report fails to include or reference a cover letter I submitted with the
17 2016-2020 filings in October 2021, explaining my basis of understanding of the law. This
18 letter provided a good faith effort to establish the basis for my filing decisions. The goal of
19 this letter was to ensure my understanding was as true and accurate as possible. It is not
20 the duty of the USPO to intervene, coerce, or act as experts in tax law. The author of the
21 Probation Report is wholly unqualified to offer factual or legal conclusions regarding these
22 filings. Filings referenced were “true and accurate,” to the best of my ability as demanded
23 by Special Condition #2 of my Judgment Order. Doc. 2-5.

24 My filings to the IRS also included questions of tax law which I sought clarification
25 on. It is notable that the IRS has yet to answer these questions, and the supplementary
26 filings are not finalized. Because the Probation Report cites no legal authority or facts under
27 which any of my filings could be deemed false or fraudulent, these conclusions therein
28 should be disregarded.

III. Tax Filings for FY2021

The Probation Report inaccurately claims that I have not “filed a tax return for the 2021 tax year.” Probation Report at 2, by omitting some important details.

Prior to the submission of the Probation Report, I provided Officer Thomas valid proof of the 2021 IRS Form 4868, an extension of time application, which may not be a full tax filing, but satisfies Special Condition #2 because as a valid extension. The Probation Report further misleads the court by omitting the proof of filing for tax years 2013-2020 and accounting for 2011-2012 filings, which I provided along with certified mail proof in December 2021.

IV. Conclusion

The opposition by both the government and USPO here is founded on unsubstantiated, incomplete conclusions of very complex tax law. The U.S. Probation office nor the U.S. Attorney have established any authenticated facts validate their conclusions, due to many omissions withheld from the court. Their reply and misstatement of facts to the court, causes prejudice against my rights. Their statements skew the perspective of my good faith efforts to work a complex problem.

In sum, there is nothing further the Probation Department can, or is qualified to do in this case. The questions of procedure and tax law will be answered by the IRS in due course through the civil due process that is due. The remaining future filings in question will be sorted out under Special Condition #7.

Signed this 9th, day of May, 2022.

Theron Jay Marrs

THERON J. MARRS
(360) 839-4239
tjmarrs@gmail.com
[Address withheld per FRCP 49.1]
Defendant in *pro se*, Movant

MOTION TO TERMINATE SUPERVISED RELEASE

United States v. Marrs, 3:21CR05176

1 **Compliance with Local Rules**

2 This document is submitted in paper form in accordance with LCvR. 5(b) and is written in
3 accordance with LCvR. 10(e) and LCrR 12(b). Conference with the government is not
4 required under LCrR 12(b)(7) because this request is not a motion in *limine*, nor a motion
5 for order requiring disclosure or discovery.

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9 **Certificate of Service**

10 With my signature above, I attest that I have served at true and correct copy of the foregoing
11 document upon the Clerk of the Court and upon the government. These have been served in
12 paper copy and sent through the U.S. Postal Mail to the following addresses:

13 DUTY/Assigned AUSA
14 United States Attorneys Office
15 1201 Pacific Avenue
16 Suite 700
17 Tacoma, WA 98402-4305

18 Clerk of the U.S. District Court
19 Western District of Washington - Tacoma
20 1717 Pacific Avenue
21 Room 3100
22 Tacoma, WA 98402-3200

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